

SUBMISSION BY HONDURAS ON BEHALF OF THE AILAC GROUP OF COUNTRIES COMPOSED OF CHILE, COLOMBIA, COSTA RICA, GUATEMALA, HONDURAS, PANAMA, AND PERU.

The AILAC group of countries welcomes the opportunity to present our views on the ninth technical expert dialogue (TED) and first meeting of the ad-hoc work programme (AHWP) on the New Collective Quantified Goal on climate finance (NCQG). This submission reaffirms AILAC's statements on the previous submission for the 2024 ad-hoc work programme¹.

We reiterate that there are several substantive elements that need to be technically considered before initiating the substantive framework for a draft negotiating text that will pave the way for a decision in CMA6. These elements have not yet been deeply deliberated, and during CMA5, the need to address them more diligently was evident. Namely:

Setting the NCQG in accordance with Article 9: We believe that particular attention deserves discussion on how the qualitative elements of the new goal, such as sources, instruments, and channels, will be defined under Article 9 of the Paris Agreement, and in the context of Article 9.3. This involves recognizing that mobilized resources must come from developed countries and noting the significant role of public funds so that these elements truly take into account the needs and priorities of developing countries, particularly in their country-driven strategies. Additionally, its relationship with Articles 9.1 and 9.2.

Contributing to accelerating the achievement of Article 2: Embedded in the spirit of the NCQG should be a sense of urgency and support to all developing countries, serving as a vehicle not only for course correction regarding the flows of climate finance (quantity, quality, direction, access, etc.), but also for the need for the NCQG to act as an incentive for much-needed ambition. In this regard, we consider further discussion is necessary on how the new goal will accelerate the achievement of Article 2 within developing countries. Particularly, how the needs and priorities and ambitious commitments from developing countries to fulfill their obligations under the Convention will be rewarded through quality financing, without increasing debt or jeopardizing fiscal stability and promoting highly concessional instruments. This, indeed, will have implications for restructuring the current financial system, as AILAC has previously maintained.

Ultimately, if the new goal is to include targets for mobilizing resources from the private sector and other stakeholders, it is necessary to define how these resources will be directed or deployed to developing countries for the fulfillment of Article 2, through sources, channels, and instruments, considering and addressing their evolving needs and priorities.

¹ AILAC submission on the NCQG ad-hoc work programme:
https://www4.unfccc.int/sites/SubmissionsStaging/Documents/202402221601---AILAC%20Submission%20NCQG%20Workplan.pdf?_gl=1*5vsvac*_ga*MTg5MzE2NDQxOS4xNjkzMzq2ODYz*_ga_7ZZWT14N79*MTcxMzE2NzQ1OS4xODMuMS4xNzEzMTY4NjAyLjAuMC4w

Synergies between thematic areas: To shape the direction of the NCQG, it will be fundamental to deepen the actions for which the mobilization and provision of climate financing resources to developing countries will be directed: mitigation, adaptation, and loss and damage. While taking into consideration matters such as capacity building, technology transfer, gender and action for climate empowerment. By approaching it through the lenses of these thematic areas, we strive to create a framework that is not only fit for purpose but also maximizes the effectiveness of the new goal. This, in turn, will contribute to accelerating compliance with Article 2 of the Paris Agreement.

Linkages with other processes: Substantive elements of the NCQG, such as the quantum and the timeframe, will need to be informed by other ongoing processes, such as the Global Stocktake (GST), the Global Goal on Adaptation (GGA), and the Mitigation Work Programme (MWP). Additionally, the quantum and timeframe will need to be defined based on the best available science and the needs and priorities of developing countries.

AILAC reiterates that addressing these issues in the ninth TED will create the technical foundation for all parties to have a common understanding of the scope and structure of the NCQG that corresponds to the needs and priorities of developing countries, in accordance with Article 9. Hence, the first meeting of the AHWP could outline the commitments arising from the above-mentioned workstreams that are relevant to the NCQG, grouped in the different thematic areas and timeframes.